

SENATE BILL REPORT

SSB 6221

As Passed Senate, February 7, 2018

Title: An act relating to the Washington achieving a better life experience program account.

Brief Description: Concerning the Washington achieving a better life experience program account.

Sponsors: Senate Committee on Health & Long Term Care (originally sponsored by Senators Walsh and Darneille; by request of Department of Commerce).

Brief History:

Committee Activity: Health & Long Term Care: 1/25/18, 1/30/18 [DPS-WM].

Floor Activity:

Passed Senate: 2/07/18, 47-1.

<p style="text-align: center;">Brief Summary of First Substitute Bill</p> <ul style="list-style-type: none">• Makes clarifications to the Washington Achieving a Better Life Experience Program (Program) enacting statutes.• Permits an investment manager other than the State Investment Board (SIB) to invest the money collected through the Program.
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SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Majority Report: That Substitute Senate Bill No. 6221 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Cleveland, Chair; Kuderer, Vice Chair; Rivers, Ranking Member; Bailey, Becker, Conway, Fain, Keiser, Mullet and Van De Wege.

Staff: Evan Klein (786-7483)

Background: Achieving a Better Life Experience Act. Congress passed the Achieving a Better Life Experience Act (ABLE) in December 2014. The law amended the Internal Revenue Code to exempt from taxation qualified ABLE savings programs established by states. Individuals can contribute to these savings accounts for eligible people with disabilities that originated before age 26.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Individuals are able to invest up to \$14,000 per year in ABLE accounts. Withdrawals from these accounts will not be taxed so long as the money is spent on qualified expenses such as housing, education, transportation, health care, and rehabilitation. An individual generally cannot have more than \$2,000 in savings or other assets to be eligible for means-tested federal programs such as Medicaid or Supplemental Security Income (SSI). However, investments up to \$100,000 in ABLE accounts will be disregarded as assets for purposes of Medicaid or SSI eligibility.

Washington ABLE Program. The Legislature authorized the creation of the Program in 2016, which is now run by a governing board and operated by the Department of Commerce in consultation with the state treasurer and State Investment Board (SIB).

Summary of First Substitute Bill: Changes are made to the Program's enacting statute to clarify what funds must be collected by the Program, how those funds may be used, and that the state treasurer may delegate authority to the ABLE governing board to designate and define the terms of engagement for a custodial bank. The requirement that the Program account be a treasurer account is removed. An investment manager, in addition to the SIB, is authorized to invest money in the Program.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This is merely a technical fix to allow another entity to invest money in the Program. This will ensure that the Program can serve the state. The underlying statute followed an Oregon model, but did not allow for entities other than the SIB to operate the program. Allowing other investment entities to invest monies in the Program will create efficiencies and save investors' money. This bill will allow the Program to launch effectively and efficiently. The partnership with Oregon will provide an affordable and accessible ABLE model. This ABLE program will allow people to save money to live the lives they want.

Persons Testifying: PRO: Senator Maureen Walsh, Prime Sponsor; Leslie Wolff, Washington State Department of Commerce; Brenda Snyder, Office of the State Treasurer; Jeff Manson, Chair, ABLE Governing Board; Emma Patterson, citizen; Amy Patterson, Washington ABLE Program Governing Board member.

Persons Signed In To Testify But Not Testifying: No one.